



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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RBI/2021-22/13

DoR.AUT.REC.2/23.67.001/2021-22

April 5, 2021

All Scheduled Commercial Banks  
(excluding Regional Rural Banks)

Dear Sir/Madam

### Gold Monetization Scheme (GMS), 2015

In exercise of the powers conferred on the Reserve Bank of India under Section 35A of the Banking Regulation Act, 1949, the RBI makes the following amendments in the Reserve Bank of India (Gold Monetization Scheme, 2015) [Master Direction No.DBR.IBD.No.45/23.67.003/2015-16 dated October 22, 2015](#), with immediate effect.

2. A new sub-paragraph 1.3 (iii) has been inserted to read as follows:

“GMS Mobilisation, Collection & Testing Agent (GMCTA) - Jewellers/Refiners certified as CPTCs by BIS and meeting additional eligibility conditions set by IBA will be recognised as GMCTA by designated banks.”

3. The existing sub-paragraph 2.1.1 (iii) has been amended to read as follows:

“The Principal on STBD and MLTGD shall be denominated in gold. However, the interest on STBD and MLTGD shall be calculated in Indian Rupees with reference to the value of gold at the time of deposit.”

4. The existing sub-paragraph 2.1.1 (v) has been amended to read as follows:

“All deposits under the scheme shall be made at the CPTC/GMCTA. Provided that, at their discretion, banks may accept the deposit of gold at the designated branches, especially from the larger depositors. Banks shall have a Board approved policy to identify the branches that can accept the deposits under the scheme. The policy shall *inter-alia* cover the processes involved in the identification of such branches and skill development of the dealing employees. The policy shall also identify the minimum number of branches as designated branches in every State/UT where the bank has a presence. Provided further that banks may, at their discretion, also allow the depositors

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to deposit their gold directly with the refiners that have facilities to carry out final assaying and to issue the deposit receipts of the standard gold of 995 fineness to the depositor.”

5. The existing sub-paragraph 2.1.1 (viii) has been amended to read as follows:

“On the day the gold deposited under the scheme starts accruing interest, the designated banks shall translate the gold liabilities and assets in Indian Rupees by crossing the London AM fixing for Gold / USD rate with the Rupee-US Dollar reference rate announced by Financial Benchmarks India Private Limited (FBIL) on that day. The prevalent custom duty for import of gold will be added to the above value to arrive at the final value of gold. This approach will also be followed for valuation of gold at any subsequent valuation dates and for the conversion of gold into Indian Rupees under the Scheme.”

6. The existing sub-paragraph 2.1.1 (ix) has been amended to read as follows:

“Designated banks shall inform the RBI of their decision to participate in the Scheme as soon as the policy to implement the scheme is approved by their Board. They shall also report to the RBI the gold mobilized under the scheme by all branches in a consolidated manner on a monthly basis as per the format given in the Annex-2. Designated banks shall furnish the statement giving details of redemption due in next three months, as per format given in the Annex-3. The information in Annex 2 and 3 shall be furnished to Department of Regulation, Reserve Bank of India, Mumbai by 7<sup>th</sup> day of the month.”

7. The existing sub-paragraph 2.1.2 (i) has been amended to read as follows:

“The minimum deposit at any one time shall be 10 grams of raw gold (bars, coins, jewellery excluding stones and other metals). There is no maximum limit for deposit under the Scheme.”

8. The existing sub-paragraph 2.2.1 (iii) has been amended to read as follows:

“The deposit will attract CRR and SLR requirements as per applicable instructions of RBI from the date of credit of the amount to the deposit account. However, the stock of gold held by banks in their books will be an eligible asset for meeting the SLR requirement in terms of RBI [Master Circular - Cash Reserve Ratio \(CRR\) and Statutory Liquidity Ratio \(SLR\) dated 1 July 2015](#). Further, borrowing of gold by designated banks (from gold mobilised under STBD by other designated banks) will be treated as interbank liabilities and hence exempted from CRR and SLR.”

9. The existing sub-paragraph 2.2.1 (vi) has been amended to read as follows:

“From the date of issue of this circular, interest in respect of STBD shall be denominated and paid in Indian Rupee only. Redemption of principal at maturity will, at the option of depositor, be either in Indian Rupee equivalent of the deposited gold based on the prevailing price of gold at the time of redemption, or in gold. The option in this regard shall be obtained in writing from the depositor at the time of making the deposit and shall be irrevocable. Any premature redemption shall be in Indian Rupee equivalent or gold at the discretion of the designated banks. All STBDs made prior to the issue of this circular will continue to be governed by their existing terms and conditions”

10. The existing sub-paragraph 2.2.2 (vii) stands deleted

“Reserve Bank of India will maintain the Gold Deposit Accounts denominated in gold in the name of the designated banks that will in turn hold sub-accounts of individual depositors.”

11. The new sub-paragraph 2.4 (iii) has been inserted to read as follows:

“The designated banks shall take steps to enter into agreement with sufficient number of CPTCs.”

12. The new paragraph 2.5 on GMS Mobilisation, Collection & Testing Agent (GMCTA) has been inserted to read as follows:

- i. Jewellers/Refiners certified as CPTCs by BIS and meeting additional eligibility conditions set by IBA may be recognised by designated banks as GMCTA.
- ii. Jewellers or refiners functioning as GMCTA shall assay and refine gold received from depositors; undertake vaulting and movement of refined gold to banks as per bi-partite agreement with the designated banks.
- iii. As GMCTAs will carry out functions of CPTC, the instructions applicable to CPTCs as mentioned at para 2.4 above shall also be applicable to GMCTA.
- iv. The designated banks shall pay a maximum of 1.5% as incentive/handling charges to the gold handling/ mobilizing functions performed by GMCTAs.

13. The new sub-paragraph 2.8.1 (iii) has been inserted to read as follows:

“Lend the gold to other designated banks participating in the Scheme for granting GML subject to following conditions:

(a) Interest Rate: The interest rate to be charged on interbank lending of gold mobilised from these deposits shall be decided by banks.

(b) Repayment: The repayment shall be in INR or in locally sourced (India Good Delivery Standard) IGDS/ LGDS (LBMA's Good Delivery Standards) gold as agreed by the participating banks.

(c) Tenor: As the purpose for interbank lending is to provide gold to jewellery manufacturers/ jewellery exporters under GML, the tenor of interbank lending of gold shall be as per our [circular DBOD.No.IBD.BC.71/23.67.001/2006-07 dated April 3, 2007](#) and the Foreign Trade Policy and the Handbook of Procedures issued by DGFT, as amended from time to time.”

14. The Reserve Bank of India [Master Direction No.DBR.IBD.45/23.67.003/2015-16 dated October 22, 2015](#) on Gold Monetization Scheme, 2015 has been updated incorporating the above changes.

15. The reporting format given at Annex-2 of the Master Direction has been revised and Annex-3 has been added.

Yours faithfully

(Prakash Baliarsingh)  
Chief General Manager